

**DEBT SERVICE FUNDS  
DECEMBER 31, 2001**

Debt Service Funds in King County are created to account for the revenues necessary to pay the current year's matured bond and interest liabilities. Separate funds are maintained to ensure compliance with applicable Washington State debt limitation statutes. The computation of the legal debt margin of King County is presented in the Notes to Financial Statements and Statistical Section of this report. It provides detail based on the *Revised Code of Washington (RCW)* Chapters 39.36.015 and 39.36.020.

King County has five Debt Service Funds. A brief description of each fund follows:

Limited General Obligation Bond Redemption Fund (summary #00000840-0, including 840-1, 840-5, and 840-6) - This fund accumulates monies for payment of those bonds which have been issued without a vote of the people. This fund is supported by various sources including property taxes, a share of the hotel/motel tax, auto rental sales and use tax, other revenues, and transfers from various county funds. Two subfunds are used to segregate revenues, including sales tax, state lottery allocation, and related interest earnings, dedicated to debt service on bonds issued to construct a baseball stadium owned by the Washington State Major League Baseball Stadium Public Facilities District.

Road Improvement Districts Special Assessment Debt Redemption Fund (#16999801-0) - This fund reports special assessment collection and debt service payment for Road Improvement District special assessment debt for which the government is obligated in some manner.

Road Improvement Guaranty Fund (#00000115-0) - This fund accumulates monies to ensure payment of County Road Improvement Districts' special assessment bonds.

Stadium General Obligation Bond Redemption Fund (#00000851-0) - This fund accumulates monies for payment of bond issues for stadium construction which have a 3/5 approval vote of the people. The debt service for this fund is financed by a share of the hotel/motel tax.

Unlimited General Obligation Bond Redemption Fund (#00000850-0) - This fund accumulates monies for payment of those bonds which have been issued with a 3/5 approval vote of the people, except those issued for stadium construction which are accounted for in a separate fund. Property taxes are levied to finance annual debt service.

Debt Service Funds are budgeted except for the Road Improvement Districts Special Assessment Debt Redemption Fund and the Road Improvement Guaranty Fund. The basis of accounting and budgeting is modified accrual.